

# **MT. SHASTA CITY COUNCIL SPECIAL MEETING DRAFT MINUTES**

**WEDNESDAY, JUNE 19, 2013; 5:30 p.m.**

**Approved As Submitted – June 24, 2013**

## **1. Call to Order And Flag Salute**

At the hour of 5:33p.m. Mayor Moore called the meeting to order and led the audience in the recitation of the Pledge of Allegiance.

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## **2. Roll Call**

**Present:** Council Members Michael Burns, Sr., Jeffrey Collings, Geoff Harkness, Tim Stearns, and Mayor Tom Moore

**Absent:** None

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## **3. Public Comment: NONE**

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## **4. DISCUSSION AND POSSIBLE ACTION RE: Presentation and Direction to Staff for Proposed FY 2013-2014 City Budget And Authorized Positions – (Finance Director)**

City Manager Marconi presented staff report and stated that in order to make up the deficit in the current proposed budget was to freeze a position within the Police Department and a position in Public Works that are both currently open. If the City were to make up the difference and if it would be in personnel it would be preferable to leave positions open rather than instill layoffs and institute furloughs in the future. However, Staff does not recommend this option. City Manager Marconi stated that the budget is not critical and that the city has survived the last four years of a serious recession. Staff has already reduced staffing by 10% with both the Police Department and Public Works department currently down one employee each. In addition, the Departments have operated the last two years down a second employee. Continuing to operate in this state in the long term would impact services that the City offers. The Police Department has been impacted and currently cannot patrol at optimum safety levels for the past three years which leave a decrease in staffing readiness and morale. Public Works cannot care out the number of projects that are possible with a full staff. City Manager Marconi stated that does not make sense to enforce savings and reduce services in one department to increase other departments or over all compensation levels as that shifts the problem. Staff does not believe the current budget is critical enough to look at personnel solutions. The excess expenditures are one-time expenses rather than ongoing costs. City Manager Marconi stated to use the savings that have been generated over the years to carry out projects that are above and beyond the normal day to day operational needs. The issue of not funding depreciation costs is much more problematic as it has impacts on the future and future operational needs. For the past two years the City has maintained the practice of minimally funding \$75,000 a year of depreciation by transfer to the equipment reserve fund. Staff expects revenues to continue to rebound which would make it preferable to forego funding depreciation for one year rather than reducing personnel and concurrently the levels of services the City is able to provide. If revenues do not rebound, hard decisions would need to be made in the future. It is prudent to maintain the structure as it is now with the focus on revenues rebounding rather than look at employee costs to make up the differences. Staff believes that they have brought the Council a budget that best meets the needs of the City of Mt. Shasta, its employees and residents and recommends that the Council adopt the proposed budget.

Council Member Collings confirmed that the salaries for the two positions are currently in the proposed budget.

Council Member Burns asked about the deferred equipment fund being forego for one year of depreciation and have those monies back in the fund.

City Manager Marconi stated that the City would fall behind if we do not fund the depreciation. There is currently a back log of unfunded depreciation already from previously unfunded years. Staff would rather stretch the useful life of the equipment to cover another year rather than eliminating positions.

Council Member Burns asked about the current equipment life.

City Manager Marconi stated that the City is in a better state than it was 10 to 15 years ago and have been able to replace a lot of equipment. Currently the city has two new snow plows. There are deficiencies such as the current state of the dumb trucks which do not meet diesel standards. Staff would rather not replace a dump truck than not replace a Police Officer.

Council Member Burns asked about the outcome of not funding the depreciation fund for two years instead of one.

City Manager Marconi stated that the City would be in a more compromised situation. In that state the City would have to expend monies on leasing or renting equipment for special projects. Foregoing anything part of the budget will have impacts.

Council Member Burns does not want to reduce personnel. Without personnel, the City cannot complete their services. Council Member Burns clarified that staff has stretched the budget as far as it will go in order to meet the needs of the City.

Council Member Harkness had requested the staff report to determine if it was appropriate to bring down the level of the reserve to maintain the current level of funding in the budget. Council Member Harkness stated that the report had made it clear that the choice is to either fund the two positions in personnel or fund the depreciation and if the depreciation was funded the City would have the equipment but not the personnel to operate the equipment.

Council Member Stearns suggested freezing one or both of the positions until mid-year when the Council could reevaluate the budget. Council Member Stearns stated that if one of the positions were to be funded, it would be the Public Works position.

Mayor Moore stated that one reason to support freezing is that this year might be unusual due to the spending allocations compared to previous years. The City would know mid-year what the state of the revenue actually is. Mayor Moore brought up the discussion point of the fire department over time issue and current labor negotiations which are both undecided as far as funding which reconfirms his support of freezing the positions for six months. Mayor Moore does wish to staff the Police Department and Public Works, however waiting six months would allow for a clearer picture of next year. Mayor Moore would like the discussion of funding the two positions to be the priority at the mid-year budget.

Council Member Collings agrees that a freeze should occur but believes that staff should decide where the freeze should happen, not the Council.

Council Member Harkness reminded Council about the discussion of the fire department over time.

City Manager Marconi has no conclusions on the fire department over time issue. City Manager Marconi believes there are ways to address the issue that does not have as large an impact on the budget as the options at the initial budget hearing. Any changes in the compensation of the fire department would create an ongoing structural deficit. An option would be to have two additional paid fire fighters who would split coverage during the week.

Mayor Moore asked about the \$50 per call option for the current fire department employees rather than over time.

City Manager Marconi had researched this option with an issue that currently medical calls are not being paid for. 65% of calls are medical calls. Previous options of paying volunteer fire fighters \$10 per medical call indicated that the reimbursement would increase. Paying only the Chief and Assistant Chief wouldn't necessarily create this increase and both could be incorporated into the on call rotation.

Council Member Harkness asked about research on volunteer levels in the past and the number of volunteers available for calls with that there was never a document case of no one responding to emergencies.

City Manager Marconi clarified that he was not aware of any instances where no one responded. Volunteer levels have gone down in recent years and during the summer it is decreased due to volunteers being seasonal employees at agencies such as Calfire.

Council Member Harkness clarified that the City Manager had mentioned a long term solution of regionalization within the South County and that one option for a shorter term solution would be a memorandum of understanding with other districts to share volunteers.

Mayor Moore clarified that mutual aid is already established.

Council Member Harkness clarified that this was the case for fires but asked about medical mutual aid.

City Manager Marconi stated that medical mutual aid would be more problematic due to 65% of calls as medical calls and that Mt. Shasta City has more calls than other cities due to the size of the city. Other cities would be responding more often to Mt. Shasta City calls under mutual aid than Mt. Shasta City would be responding to the other cities calls. City Manager Marconi brought up the question is if the fire department is the proper department to respond to medical calls. This is an issue that districts all over the country are currently facing.

Mayor Moore stated that this discussion would continue at the next meeting and cannot imagine not having staff on call.

City Manager Marconi reminded Council that a budget needs to be adopted by June 30<sup>th</sup> and that any adjustments to the budget need to be made the following day to be ready for the Monday, June 24<sup>th</sup> meeting. City Manager Marconi stated that adjustments to the budget can be made after it is adopted so long as the changes are not to committed funds.

**Council Action:** Mayor Moore made a motion seconded by Council Member Stearns to freeze the two positions (Police Department and Public Works) for six months and reevaluate at mid-year. Motion carried on a voice vote of 4-1.

Mayor Moore adjourned the meeting to Closed Session at the hour of 6:15p.m.; reconvened at the hour of 9:00p.m.

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## 5. Closed Session

- a. Public Employment – Pursuant to Government Code §54957  
Position to be filled – City Manager

Mayor Moore reported that staff had been provided with direction and no action was taken on the Closed Session item.

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## 6. Adjourn

There being no further business before the Council, the meeting was adjourned at the hour of 9:00p.m. to the next Regular City Council Meeting to be held on Monday, June 24, 2013 at 6:30p.m.

Respectfully Submitted,

*Kimberly Barden*

Kimberly Barden, Administrative Assistant  
For John E. Kennedy Sr., City Clerk